Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

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PAGE 01 NEW DE 08871 071320Z
ACTION EB-08

INFO OCT-01 NEA-11 IO-14 ISO-00 AGRE-00 CIAE-00
COME-00 INR-10 LAB-04 NSAE-00 SP-02 STR-07
TRSE-00 FRB-01 OMB-01 SS-15 L-03 H-02 ITC-01
/080 W
----------095602 071324Z /72
P R 071033Z JUN 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC PRIORITY 2074
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS
US MISSION GENEVA 1734

UNCLAS NEW DELHI 8871

GENEVA FOR PHELAN

E.O. 11652: N/A
TAGS: EPAP, ETRD, IN, US
SUBJECT: BILATERAL TEXTILE AGREEMENT: HAND KNOTTED WOOLEN CARPETS

1. SEVERAL INDIAN CARPET INDUSTRY REPRESENTATIVES MET WITH EMBOFFS ON JUNE 7 TO DISCUSS THE PROBLEM OF HAND-KNOTTED WOOLEN CARPET EXPORTS TO THE U.S. ACCORDING TO TRADE REPRESENTATIVES, EFFECTIVE JUNE 1, 1978 THE U.S. IMPOSED A BANK ON THESE CARPETS, WHICH HAVE BEEN INCLUDED UNDER CATEGORY 465 OF THE U.S. INDIA TEXTILE AGREMENT. THE REPRESENTATIGES POINTED OUT THAT EXPORTS OF THESE CARPETS TO THE U.S. PRIOR TO 1978 HAD NOT BEEN SUBJECT TO TEXTILE QUOTEAS, THAT THE COMMERCIAL ATTACHE AT THE INDIAN CONSULATE IN NEW YORK HAD GIVEN HIS OPINION LAST JANUARY THAT HAND-KNOTTED WOOLEN CARPETS DID NOT COME UNDER THE PURVIEW OF THE TEXTILE AGREEMENT, AND THAT THE ALL INDIA HANDICRAFTS BOARD, WHICH SUPERVISES EXPORTS OF THESE CARPETS, WAS OF THE SAME OPINION. THE REPRESENTATIVES
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ARGUED THAT HAND-KNOTTED CARPET WEAVING WAS A COTTAGE INDUSTRY, WITH ALL THE WORK (EXCEPT MAKING OF YARN) DONE BY HAND. (COMMENT: THE CARPETS DO NOT APPEAR TO FIT INTO ONE OF THE CATEGORIES OF INDIA ITEMS LISTED IN ANNEX C OF THE AGREMENT.)

2. TRADE REPRESENTATIVES ARGUED THAT STOPPAGE OF THESE

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CARPET EXPORTS TO THE U.S. WOULD ADVERSELY AFFECT THE EMPLOYMENT OF MORE THAN ONE MILLION INDIANS AND CAUSE LOSSES OF MILLIONS OF DOLLARS. THEY INDICATED THAT EXPORTS OF HAND-KNOTTED WOOLEN CARPETS TO THE U.S. HAD INCREASED SUBSTANTIALLY SO FAR IN 1978, COMPARED TO LAST YEAR, PARTLY BECAUSE OF DEMAND RESTRAINT IN THE WEST GERMAN MARKET. THEY POINTED OUT, HOWEVER, THAT IN SOME PREVIOUS YEARS HAND -KNOTTED WOOLEN CARPET EXPORTS TO U.S. HAD BEEN AT HIGHER LEVELS THAN THIS YEAR.

3. REPRESENTATIVES ARE REQUESTING THE MINISTRY OF COMMERCE TO ASK THE USG THAT THESE CARPETS NOT BE SUBJECT TO CATEGORY 465 LIMIT AND BE EXEMPT FROM PROVISIONS OF THE TEXTILE AGREMENT. MOC HAS APPARENTLY CABLED INDIAN EMBASSY ABOUT THIS MATTER.

4. ACTION REQUESTED: WE WOULD APPRECIATE RECEIVING ASAP INFORMATION ABOUT PRESENT STATUS OF INDIAN HAND-KNOTTED WOOLEN CARPET EXPORTS TO U.S. AND RATIONALE FOR INCLUDING THEM UNDER CATEGORY 465 IN ORDER TO INFORM TRADE REPRESENTATIVES ACCORDINGLY AND RESPOND TO REQUESTS FROM TRADE OR MOC.

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Disposition Approved on Date:
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Litigation History:
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